

Message Text

SECRET

PAGE 01 MILAN 02211 251410Z

44

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S E C R E T MILAN 2211

LIMDIS

E.O. 11652: GDS

TAGS: PINT, IT

SUBJECT PSI MILAN ASKS ASSISTANCE

1. SUMMARY. LUIGI VERTEMATI, IMPRESSIVE YOUNG MILAN PROVINCIAL PSI SECRETARY, RECENTLY MADE FOLLOWING POINTS, INTER ALIA, IN DISCUSSIONS WITH CONGEN. HE DESCRIBED DIFFICULT PSI POSITION AND ASKED HELP OF US TO AVOID PSI CAPTURE BY PCI.

2. PSI WOULD LIKE TO COOPERATE WITH DC BUT SIMPLY DOES NOT KNOW WHOM TO APPROACH. DC SO DIVIDED AND CONFUSED IN MILAN THERE NONE WHO CAN SPEAK WITH AUTHORITATIVE VOICE. FINDING THE APPROPRIATE FUNCTIONARY IN PCI, ON OTHER HAND, IS NO PROBLEM AT ALL.

3. DC HAS BEEN MISGUIDED IN ITS POLICY TOWARD PSI SINCE BEGINNING OF CENTER-LEFT FORMULA. INSTEAD OF HONESTLY SHARING POWER WITH PSI, DC HAS DONE EVERYTHING IT COULD TO DESTROY IT. PSI HAS NEVER HELD IMPORTANT CABINET POSITIONS WHICH WOULD HAVE ALLOWED IT TO SHARE RESPONSIBILITY IN GOVERNMENT TO SIGNIFICANT EXTEND AND TO DEVELOP EXPERIENCE AS GOVERNING PARTY. DC HAS ALSO SYSTEM-ATICALLY WEAKENED OTHER LAY PARTIES AND HAS THUS ITSELF CREATED SITUATION IN WHICH THERE NO ALTERNATIVE TO DC EXCEPT PCI.

SECRET

SECRET

PAGE 02 MILAN 02211 251410Z

4. SOCIALISTS NOW UNDER PRESSURE FROM PCI TENDENCY TO SEEK HEGEMONY IN LOCAL ADMINISTRATIONS. WHILE THIS WILL HAVE EFFECT OF SOBERING SOME PRO-PCI ELEMENTS OF PARTY, PSI CANNOT STAND UP TO PCI FOR ANY LENGTH OF TIME. SINCE, HOWEVER, PSI VIEWS CATHOLIC - COMMUNIST ALLIANCE COMPROMISE AS DISASTER FOR SOCIALISTS, THERE SEEMS NO WAY OUT FOR PARTY BUT TO CONTINUE WITH COMMUNISTS IN ABSENCE OF WILLINGNESS OF DC TO SHARE POWER.

5. VERTEMATI THEN ASKED CG WHAT HE THOUGHT PSI SHOULD DO TO EXTRICATE ITSELF FROM PREDICAMENT AND WHAT, IF ANYTHING, US MIGHT BE IN POSITION TO DO TO HELP. CG RESPONDED ONE GREAT DIFFICULTY PSI HAS HAD IS THAT MAXIMALIST SIDE OF PARTY HAS ALWAYS FRIGHTENED MIDDLE CLASSES, PREVENTING LIBERALS OF BUSINESS CLASSES FROM SUPPORTING PARTY. THIS MAXIMALIST COLORATION ALSO LED TO UNDERSTANDABLE RESERVATIONS ABROAD. VERTEMATI ADMITTED THIS AND THOUGHT CURRENT EXPERIENCES WITH PCI MAY SOLVE THIS PROBLEM. HE ALSO CITED NEED FOR QUALIFIED PROFESSIONAL STAFF AT PARTY HEAD-QUARTERS LEVEL, BUT MADE NO SPECIFIC PROPOSALS.

6. VERTEMATI THINKS US SHOULD CONTROL MULTINATIONALS WHICH WITH THEIR CURRENT LAY-OFFS ARE THREATENING AMERICAN IMAGE IN ITALY. CG EXPLAINED THEY IN ITALY AS ITALIAN FIRMS OPERATING UNDER ITALIAN LAW AND IT THUS ITALIAN RESPONSIBILITY AND PREROGATIVE TO CONTROL THEM. VERTEMATI ACKNOWLEDGED THIS BUT SAID GOI HAD NEITHER LEGAL INSTRUMENTS NOR LEADERS TO DO SO AND US SHOULD STEP IN TO PRESERVE ITS REPUTATION WITH ITALIAN WORKING CLASSES.

7. IN DISCUSSING DC VERTEMATI DEPLORED COMMUNIONE AND LIBERAZIONE MOVEMENT AS ONE WHICH WOULD MOVE PARTY BACK TO CHURCH AND AWAY FROM BEING LAY PARTY. HE SAID HOWEVER, THAT IF MILAN ZONE COMMITTEE ELECTIONS WERE TO TAKE PLACE, G & L WOULD ELECT THREE DELEGATES IN EVERY ZONE.

8. COMMENT: VERTEMATI CLEARLY BELIEVES PCI/PSI RELATIONSHIP NOT WORKING OUT WELL FOR LATTER AND WAS VERY PREOCCUPIED ABOUT FUTURE OF PARTY. HE ALSO APPARENTLY BELIEVES COMMUNIST PRESSURE ON PARTY WILL PUCH IT AWAY FROM MAXIMALIST POSITION TOWARD A MORE MODERATE ONE IN WHICH COOPERATION WITH US WOULD BE MORE ACCEPTABLE TO PARTY BASE. VERTEMATI'S REQUEST FOR ASSISTANCE CAME AS A SURPRISE

SECRET

SECRET

PAGE 03 MILAN 02211 251410Z

ALTHOUGH WE HAVE HAD OTHER FEELERS ALONG THIS LINE.

9. IN MUCH OF PO VALLEY, SOCIALISTS HOLD BALANCE BETWEEN TWO MAJOR PARTIES WHICH COULD WELL BE CRITICAL TO FUTURE POLITICAL ALIGNMENT. APART FROM MILAN CITY ADMINISTRATION IN WHICH PSI HAS SEVERAL ABLE ADMINISTRATORS AND COMPETENT POLITICIANS, PARTY SUFFERS SAME DEARTH OF IDEAS, PAID EMPLOYEES AND LEADERS AS ON NATIONAL LEVEL. PARTY'S CHIEF NEED HERE IS TO DEVELOP A POSITION WHICH WILL GIVE IT

MORE STRENGTH VIS A VIS PCI AMONG WORKING CLASSES AND AMONG MIDDLE CLASS VOTERS BOTH OF WHOM HAVE SWUNG TO COMMUNISTS AS CLEAN, EFFICIENT REFORMIST PARTY.

10. OBVIOUSLY, WE HAVE NO WAY TO ENDOW PSI WITH VITALITY NEEDED FOR IT TO CARVE OUT ROLE FOR ITSELF, BUT THERE ARE PERHAPS TWO AREAS WHERE LOCAL ASSISTANCE MIGHT BE USEFUL AT THIS STAGE.

A. STAFF DEVELOPMENT. VERTEMATI SAYS THERE IS NO ONE IN ROME RUNNING THE PARTY MACHINERY. WHEN A POLITICAL LEADER LEAVES HEAD-QUARTERS HE TAKES THE FILES WITH HIM. LOCALLY, WE KNOW THAT THERE ARE FEW PAID FULL TIME PARTY EMPLOYEES. GRANTS TO RECEIVE TRAINING IN US COULD BE CONSIDERED AS WELL AS OTHER MEANS TO BEEF UP THE PSI LOCAL STAFF.

B. ECONOMIC BACKGROUNDINGS. A USEFUL ROLE PSI COULD CONCEIVABLY PLAY HERE WOULD BE TO BECOME PRINCIPAL INTERLOCUTOR OF MULTINATION FIRMS. VERTEMATI HIMSELF SHOWED A LACK OF MOST ELEMENTARY UNDERSTANDING OF ECONOMIC PRINCIPLES ON WHICH MULTINATIONALS OPERATE AND SEEMS TO REGARD THEM AS SOME SINISTER INTERNATIONAL POWER FROM PAGES OF EARLY GRAHAM GREENE NOVEL. OTHERS HERE IN PSI HAVE DEMONSTRATED SAME DEPTH OF UNDERSTANDING. AS OF NOW SOCIALISTS TEND TO BE MORE RADICAL THAN PCI ON SUBJECT OF INTERNATIONAL FIRMS. WERE THEY TO BECOME ONE END OF WORKING DIALOGUE WITH MANAGEMENT OF BIG FIRMS, IT COULD MEAN SUBSTANTIAL CHANGE OF IDEOLOGY. WE NOTE, MOREOVER, THAT THE SHIFTING BALANCES OF INFLUENCE WITHIN PARTY GIVE IT CERTAIN FLEXIBILITY ON THIS SCORE. IN THIS CONNECTION ONE OR MORE SEMINARS UNDER USIS AUSPICES WITH PSI FUNCTIONARIES AND UNION LEADERS, ON NE HAND, AND AMERICAN MANAGEMENT AND ECONOMIC EXPERTS, ON OTHER, COULD BE VALUABLE

SEMINAR FORMULA WOULD MINIMIZE RISK OF PUBLIC DEBATE WHILE PROVIDING OPPORTUNITY TO SEE IF USEFUL DIALOGUE CAN BE DEVELOPED.

SECRET

SECRET

PAGE 04 MILAN 02211 251410Z

11. ACTION REQUESTED: WHILE I DO NOT BELIEVE THAT PIECEMEAL APPROACH TO PROBLEM IS DESIREABLE AND WILL VOLUNTEER MORE COMPREHENSIVE SUUGESTIONS AS SOON AS WE HAVE COMPLETED SERIES OF DISCUSSIONS HERE, I FEEL TIME IS RUNNING OUT AND US SHOULD NOT LET APPROACH LIKE THAT OF VERTEMATI GO WITHOUT EARLY ENCOURAGING RESPONSE. IN THAT REGARD MILAN HAS FOR PAST YEAR RECOMMENDED VERTEMATI FOR LEADER GRANT. I NOW REITERATE THAT STRONG RECOMMENDATION AND URGE THAT, IF AS I UNDERSTAND, GRANT NOW AGREED IN PRINCIPLE, WE SHOULD PROMPTLY BE AUTHORIZED TO EXTEND INVITATION AND BEGIN PROGRAM PLANNING WITH HIM.

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